

CASE STUDY Firm's Shift of Focus Revives Industry

Company learns selling its machines just as valuable as its products



Moldovan dried fruit and vegetable producers observe a Uniferax-Grup washing machine during a study tour. These machines have met Western standards, giving firms a chance to now enter new markets.

"There is a growing demand for processing equipment in Moldova. As we gain experience, we plan to expand the range and volume of equipment to meet the needs of agribusiness companies," said Nicolae Oleinic, the director of Uniferax-Grup Ltd.

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Challenge

After the Soviet Union's fall, the dried fruits and vegetables sector of Moldova (which had been the Soviet Union's main

supplier) suffered dramatically. Recently, the sector recovered somewhat, with production levels rising to roughly half of levels prior to 1991. Crucial to the sector's continued growth and recovery are new export markets. High value Western markets, particularly those in neighboring European Union, hold the most potential. However, Moldovan drying companies used equipment that largely did not meet Western standards, keeping many producers from these markets. For Uniferax-Grup, Ltd., the solution was to develop equipment that met Western standards. That worked well for the company, but the rest of Moldova's drying sector still lagged behind.

Initiative

A USAID project saw the opportunity for Uniferax-Grup to embark on a new direction: marketing its newly developed equipment, which would provide the means for Moldova's dried fruit and vegetable producers to enter Western markets. To help Uniferax-Grup achieve this goal, the project created business linkages between its clients and the company. It also organized study tours, giving Moldovan producers a chance to see the equipment first hand and discuss buying options with company executives.

Results

As a result, eight Moldovan companies began using Uniferax-Grup equipment, including five of USAID project's partners. With the new equipment, six of these companies are now exporting their goods to Western markets. With small but influential investments, this USAID initiative opened new markets for local Moldovan producers. In turn, the rural economy, which is heavily reliant on the agricultural sector, benefits. Other industries in the agriculture industry will benefit, too, as Uniferax-Grup is now planning to develop equipment solutions for packinghouse operations, another high priority for the export potential of Moldova's agriculture sector.